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**Connecticut State Medical Society Testimony in Support of**  
**Senate Bill 1378 An Act Concerning the Workers' Compensation Medical**  
**Practitioner Fee Schedule**  
**Presented to the Labor and Public Employees Committee**  
**March 8, 2007**

Senator Prague, Representative Ryan and Members of the Labor and Public Employees Committee, my name is Matthew Katz and I am the Executive Director of the Connecticut State Medical Society (CSMS) and I am here today to testify in support of Senate Bill 1378 An Act Concerning the Workers' Compensation Medical Practitioner Fee Schedule

The CSMS has worked with Chairman Mastropietro in a collaborative effort to make sure that the proposed revisions to the Workers Compensation fee schedule are favorable to all parties, employers, employee and physicians.

First, we believe that using the actual Medicare Resource Based Relative Value Scale (RBRVS) values and not the Medicare Fee Schedule rates as the base unit for determining physician reimbursement under workers compensation provides a level of normalcy in comparison of the relative values for the services that physicians provide to their patients. In addition, for most physicians, the RBRVS values are well known and respected, as they are developed through a rigorous process involving the nation's physicians and then reviewed and eventually published by the Centers for Medicare and Medicaid Services (CMS) for use as the integral part of the Medicare Fee Schedule.

We recognize that in year one, the base year, the conversion factor used as the multiplier of the base units, or relative value units, will allow for a budget neutral transition. As long as the appropriate adjustments are made consistent with the increases that were originally proposed for 2007, we see no problem in converting to this proposed system in this calendar year.

Second, we believe, in an effort to recognize increases in the cost of medical care, this bill proposes yearly increases in the fee schedule tied to the Consumer Price Indexes (CPI). Though it must be pointed out that we believe a more appropriate index in looking at medical care expenditures and cost may be the Medical Economic Index (MEI) as it relates more directly the increases in the cost to provide medical care by physicians, we fully support a system, such as what has been proposed, that recognizes that there are

yearly increases in costs that physicians must assume in providing the medical care necessary for their patients.

The MEI is a measure of medical inflation faced by physicians with respect to their practice costs and general wage levels. The MEI includes inputs used in providing physicians' services, such as a physician's own time, non-physician employees' compensation, rents, medical equipment, and other physician practice related administrative and clinical expenses. The MEI measures year-to-year changes in prices for these various inputs based on appropriate price proxies while the CPI compares prices paid by urban consumers for a representative specific set of goods and services.

Having made that statement, we believe that Senate Bill 1378 provides the level of transparency necessary for physicians to fully understand what they will be paid for the services that they provide associated with workers compensation plans. This bill not only provides a transparent fee schedule for which rates are assigned by the American Medical Association's (AMA) Current Procedural Terminology (CPT) codes for the services and procedures provided by physicians, but it also institutes a standard for which all workers compensation plans must abide when reimbursing physicians.

This bill proposes using the CMS Correct Coding Initiative (CCI) guidelines when evaluating payment for combinations of services and procedures provided by physicians on the same date of service. The CMS developed the CCI to promote what it referred to as "national correct coding methodologies" and to "control improper coding leading to inappropriate payment" associated with the provision of medical procedures and services. The CMS developed its coding policies based on coding conventions defined in the AMA's CPT book, in addition to certain national and local policies and related edits, as well as certain coding guidelines developed by national medical society societies. CMS also evaluated standard medical and surgical practices and performed a review of current coding practices.

While we recognize that CMS, in its Medicare Part B program, uses CCI when evaluating and paying for physician services and procedures, physicians must and do comply with the codes, guidelines and conventions as clearly presented in the AMA CPT code book. Therefore, we believe that it is more appropriate to compel the workers compensation plans that pay for medical care provided by physicians to simply adhere to and abide by these same AMA CPT codes, guidelines and conventions.

Again, we ask for your support of Senate Bill 1378 and its call for reconfiguration of the workers compensation fee schedule and associated policies to ensure that there is full and absolute transparency and fairness in payment to physicians for the provision of medical care to patients within the workers compensation system.

Thank you